



**Testimony**  
**Elizabeth Gara, Executive Director**  
**Connecticut Water Works Association (CWWA)**  
**Before the**  
**Planning & Development Committee**  
**February 14, 2011**

The Connecticut Water Works Association (CWWA) **strongly opposes** HB- 5258, An Act Prohibiting Municipal Water companies from Charging Rates to Residential Customer in Other Municipalities.

A safe, adequate supply of water is critical to the public health, safety, agricultural and economic development needs of the state. Connecticut's public water suppliers, which include municipal, regional and investor-owned utilities, have a successful track record of providing customers with quality public water supplies at a reasonable cost. There are many instances where neighboring communities have worked together to develop interlocal or regional approaches to the delivery of public water supplies.

HB-5258 will discourage water companies and municipalities from working together to meet the public water supply needs of Connecticut's communities. The water company located within the town may face significant costs or barriers to providing service to certain residents depending on various factors, such as the amount of available public water supplies, the location of distribution mains and other infrastructure limitations. A neighboring town may simply be better positioned, in terms of its available public water supplies and infrastructure capacity, to provide the most feasible and cost effective solution to extend water mains to serve customers in an area of another town. Under these circumstances, however, the town providing the water is incurring costs to make the infrastructure improvements and other capital investments needed to deliver a safe, reliable supply of public water to the adjacent community. The water company should be able to charge the customers in the nearby community who benefit from the extension of service appropriately for the necessary investments and associated operating costs. The existing customers should not be burdened with the additional costs to serve a nearby community.

For example, in one town, development occurred in an area of higher elevation in which there was no existing distribution system. For the town to provide service in this area, it would have had to incur significant distribution and pumping costs as well as major infrastructure improvement costs. However, a neighboring community was able to develop a more cost-effective solution. The rates charged to serve those customers reflect the cost of providing service to that area.

HB-5258, however, would prohibit water companies from fully recovering the costs of major infrastructure improvements, creating a powerful disincentive to municipal and regional cooperation. If a town is not permitted to recover the costs associated with providing service to a nearby town, it would not be prudent or fair to its existing customers to consider such requests because they would face additional costs.

In this respect, HB-5258 would discourage regionalism and partnerships with other communities in addressing water supply needs. Regional and interlocal approaches to the protection and delivery of public water supplies are essential in some areas of the state to cost effectively meet the public health and safety needs of our residents.

**CWWA therefore urges you to reject HB-5258.**

*The Connecticut Water Works Association, Inc. (CWWA) is an association of private, municipal and regional public water supply utilities serving more than 500,000 customers, or population of about 2½ million people, located throughout Connecticut.*